

## AGENDA

### COMMITTEE ON GOVERNMENTAL RELATIONS

**Meeting:** 1:45 p.m., Tuesday, January 27, 2015  
Glenn S. Dumke Auditorium

Douglas Faigin, Chair  
Steven M. Glazer, Vice Chair  
Talar Alexanian  
Adam Day  
Debra S. Farar  
Margaret Fortune  
Lupe C. Garcia  
Lillian Kimbell  
J. Lawrence Norton  
Steven G. Stepanek

#### Consent Items

Approval of Minutes of Meeting of November 12, 2014

#### Discussion Items

1. Federal Agenda for 2015, *Action*
2. Statement of State Legislative Principles for 2015-2016, *Action*
3. Sponsored State Legislative Program for 2015, *Action*

**MINUTES OF THE MEETING OF  
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**November 12, 2014**

**Members Present**

Douglas Faigin, Chair  
Talar Alexanian  
Adam Day  
Debra S. Farar  
Margaret Fortune  
Lupe C. Garcia  
Steven M. Glazer  
Lillian Kimbell  
Lou Monville, Chair of the Board  
J. Lawrence Norton  
Steven G. Stepanek  
Timothy P. White, Chancellor

Trustee Faigin called the meeting to order.

**Approval of Minutes**

The minutes of September 9, 2014, were approved as submitted.

**Legislative Update**

Mr. Garrett P. Ashley, vice chancellor for university relations and advancement, and Ms. Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations, presented this item.

Mr. Ashley reported that the 2013-2014 legislative session officially concluded on September 30 with the governor taking final action on approximately 900 bills. The California State University took a position on thirteen top priorities and was successful in all but one bill. Mr. Ashley recognized the tremendous effort of the CSU advocates in Sacramento in partnership with students, faculty, staff, legislative champions and external partners. The CSU will build on these efforts to advance the budget request and legislative agenda in the upcoming session.

Ms. Zamarripa provided an overview of the final outcomes from the 2013-14 legislative session, a review of the recent election and opportunities for the upcoming year:

- Proposition 1, the \$7 billion water bond, provides \$1.7 billion for water quality. This is an opportunity for the CSU to assist the state with the expertise of faculty and provide students with applied learning opportunities.
- Proposition 2, the state budget reserve, dedicates between \$800 million and \$2 billion toward debt payments. The CSU is exploring the possibility that capital outlay investments qualify for one-time revenues for debt payments.
- There are 37 new members in the legislature.
- There are approximately 40 CSU alumni serving in the legislature.
- The Democratic and Republican leaders in the Assembly and Senate have a connection to the CSU and/or understand the importance of higher education.
- The CSU has several opportunities to assist the state with key issues in infrastructure, including water and high-speed rail, and K-12 improvements, such as the implementation of Common Core Standards.
- The CSU is committed to student access and completion; is a primary provider of the state's workforce; serves the state's population and rich diversity; and will continue to be a partner with the governor, legislators, state and local communities to serve Californians.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **Federal Agenda for 2015**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

James M. Gelb  
Assistant Vice Chancellor  
Federal Relations

#### **Summary**

This item contains the proposed Federal Agenda for 2015.

#### **Background**

Last January, the Board of Trustees adopted the Federal Agenda for 2014 , a legislative program for the system that included policy and fiscal priorities for the second session of the 113<sup>th</sup> Congress. California State University priorities encompassed a broad range of initiatives geared toward: ensuring access through aid to students; preparing students for college; fostering success for California's diverse population; training students for tomorrow's workforce; solving societal problems through applied research; and promoting state and private support for public universities. Over the past year, the CSU's Office of Federal Relations (OFR) and system leaders worked to advance those priorities. While the 2014 congressional session was noted for a lack of legislative output, the CSU had success in key areas, and made important progress advocating CSU federal priorities to many members and staff in the California congressional delegation.

With regard to fiscal year 2015, which began on October 1, 2014, the CSU fought in an austere environment to defend priority programs and promote targeted investments in higher education. The CSU advocated robust funding for priority programs housed in the Education Department, including aid programs like the Pell Grant, the Supplemental Educational Opportunity Grant (SEOG) and Work-Study. Among pipeline programs, CSU promoted Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and TRIO programs (e.g., Upward Bound). Aid for institutional development programs geared toward minority-serving institutions was another high priority.

The system also supported fiscal year 2015 resources for a number of applied research and workforce training priorities outside of the Education Department. For example, in the US Department of Agriculture (USDA) spending bill, CSU sought funding for competitive capacity building grants for non land-grant colleges of agriculture (NLGCA) and the USDA's Hispanic-Serving Institutions Education Grants Program, which has benefited many CSU students over the years. In the National Science Foundation (NSF) budget, the CSU supported several programs in science, technology, engineering and mathematics, including the Robert Noyce Scholarship Program and the Louis Stokes Alliance for Minority Participation (LSAMP).

Partisan differences on how to proceed in fiscal year 2015 led to delays in passing annual appropriations bills well beyond October 1. Congress reached a compromise spending agreement in December 2014, in which CSU priorities fared relatively well. For example, beginning July 1, 2015, the maximum Pell Grant will increase by \$120, to \$5,850, which will provide significant additional aid to tens of thousands of CSU students with need. Federal Work-Study, TRIO programs and institutional aid for minority-serving institutions will see modest increases. The Education Department's Centers of Excellence for Veteran Student Success grant program, a longtime CSU priority, received funding for the first time in years, while USDA and NSF programs referenced above received continued funding.

The CSU also worked productively with House and Senate offices to advance language in the Farm Bill, reauthorized for five years in February, better enabling CSU institutions to compete for funds in key USDA programs. In addition, the CSU advocated successfully for an extension of the tax exemption for distributions from individual retirement accounts for charitable purposes, which helps campuses garner private donations.

Also during 2014, the Congress took important preliminary steps toward updating the Higher Education Act (HEA), which governs a vast array of student aid, pipeline, capacity building and other priority programs. HEA programs like the Pell Grant, student loans and programs that benefit minority serving institutions are all coming under renewed scrutiny. The House Committee on Education and the Workforce and the Senate's Health, Education, Labor and Pensions (HELP) committee both held informational hearings on a wide range of HEA subjects in 2014. The CSU submitted extensive comments to both committees with suggestions to improve the HEA, such as making Pell grants available year-round, revising the distribution formula for campus-based aid funding and broadening the ability of multi-diverse campuses to compete for grants to minority-serving institutions. In addition, Chancellor White met with House and Senate committee leaders to discuss the system's HEA priorities.

Chancellor White and campus leadership represented the CSU at two national summits hosted by President Obama and the First Lady. The White House convened a group of higher education, philanthropic, private sector and government leaders to focus on efforts to ensure our nation leads the world in college degree attainment, with an emphasis on bolstering college degree

completion among low-income and underrepresented students. The CSU was showcased at the events because of its success in graduating high numbers of students who have been historically underrepresented in higher education, and its commitment to improving on that record.

### **Development of Recommendations**

In September 2014, Chancellor White sent a memo to all 23 CSU presidents and senior system leaders soliciting recommendations and outlining criteria for the system's Federal Agenda for 2015. The solicitation emphasized that the federal agenda must be consistent with the CSU system's core objectives that contribute to system goals of preserving access, providing quality instruction and preparing students for the workforce.

This agenda is based on recent priorities, input received from campuses, review by the Council of Presidents and Chancellor's Office executives, and the CSU Office of Federal Relations' assessment of the current political and fiscal landscape in Washington. The core principles outlined below (in bold lettering) are designed to provide a broad umbrella under which the CSU can react to the wide range of policy ideas that typically surface throughout a year; also included are bulleted illustrations of proactive priorities that are ripe for advocacy in 2015.

Overall, the agenda hews closely to the system's 2014 approach. The CSU can and should continue to promote federal investments in its students and institutions as efficient, productive targets of resources that will strengthen the American economy. Given significant scrutiny due to cost and a generally austere fiscal environment, the CSU should continue to place Pell at the top of its priority list. A new category highlights the federal role in enhancing campus infrastructure, health and safety. While the CSU will frequently be called upon to respond to proposals made by others, such as members of Congress and the U.S. Department of Education, the federal agenda identifies priority areas that should be the subjects of proactive pursuit.

### **Federal Agenda for 2015**

The California State University consistently provides an outstanding return on federal investments in its students, institutions, and research. With 23 campuses and nearly 447,000 students, the CSU is the largest bachelor and graduate degree university in the world, providing access – and success – for unprecedented numbers of low-income students. Each year, 100,000 new CSU graduates enter the workforce across all economic sectors.

***Improve College Access through Aid to Students:*** The CSU remains one of the nation's best bargains. Significant state and institutional grant aid helps our neediest students. Federal financial aid programs remain critical to CSU students from low-income families, including over 180,000 who rely upon need-based Pell Grants. More than 40,000 Pell recipients receive CSU bachelor's degrees each year.

- Support cost of living increases in the maximum Pell grant, and retain any program surplus for future years; make grants available to students for year-round study
- Invest in Supplemental Education Opportunity Grant (SEOG) and Work-Study with focus on need
- Prioritize federal resources for institutions serving the greatest number of students with need

***Prepare Students for College:*** The CSU is on the cutting edge of partnering with P-12 to improve student readiness and to measure the performance of CSU-trained teachers. The federal government is a vital partner.

- Provide robust funding for effective pipeline programs like GEAR UP and TRIO and expand pre-K investments
- Maintain strong federal partnership with colleges and universities to transform the preparation of America's teachers and school leaders

***Foster Degree Completion for California's Diverse Population:*** The CSU provides more than half of all undergraduate degrees granted to California's Latino, African American and Native American students, and is a leader in transitioning veterans to the civilian workforce. Federal capacity building programs and targeted grants help bridge the completion gap.

- Maintain strong support for Hispanic-serving and other minority-serving institutions
- Support the needs of America's veterans on campus and smooth their transition to the civilian workforce

***Educate Students for Tomorrow's Workforce:*** 100,000 annual graduates drive California's economy in the information technology, life sciences, agriculture, business, education, public administration, entertainment and multimedia industries.

- Support science, technology, engineering and mathematics (STEM) fields, including funding for NSF's Louis Stokes Alliances for Minority Participation and Robert Noyce Teacher Scholarship programs
- Invest in USDA Hispanic-serving Institutions National Program

***Solve Societal Problems through Applied Research:*** In laboratories, at field sites and through programs at the CSU, students, faculty and collaborating scientists advance California's capacity to address key issues of significance to our state and nation.

- Maximize opportunities for comprehensive universities to compete for federal resources, including in STEM programs included in the America COMPETES Act

- Maintain strong NSF, NIH, Department of Energy and NIST funding
- Invest in Hispanic-serving agricultural colleges and universities (HSACU) and non-land-grant colleges of agriculture (NLGCA) programs

***Enhance Campus Infrastructure, Health and Safety:*** State-of-the-art facilities and innovative programs help make campuses safe and secure for all.

- Fund Justice Department programs that provide grants to assist campuses with addressing sexual violence
- Support investments in US Economic Development Administration infrastructure programs that provide campuses opportunities to partner with their communities, improve facilities, and promote strategic economic growth

***Promote State and Private Support for Public Universities:*** State funding for public institutions of higher education is critical to keeping tuition affordable. Federal incentives can help boost state and private support for and partnerships with public universities.

- Encourage state investment in public higher education through funding incentives and, wherever applicable, state “maintenance of effort” provisions
- Advocate policies that promote philanthropy and a positive climate for university advancement

The CSU federal agenda process recognizes that priorities may evolve over time. The OFR will continue to work with the campuses and system leaders to refine and develop proposals, and to assist all in working productively with their representatives in Congress and with federal agencies in the year ahead.

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the Federal Agenda for 2015 be adopted.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **Statement of State Legislative Principles for 2015-2016**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

This item contains the proposed Statement of State Legislative Principles for 2015-2016.

#### **Background**

At the beginning of every two-year legislative session, the Board of Trustees adopts a formal Statement of Legislative Principles for the California State University. The principles provide basic parameters to guide positions taken by the chancellor and system representatives on matters pending before the California legislature. The changes for the 2015-2016 principles intend to better reflect today's environment, including the ever-changing needs of the state and the system's goal of academic excellence for all qualified students.

#### **Statement of Legislative Principles**

As the state's greatest producer of bachelor's degrees, the California State University plays a critical role in arming future leaders with the skills and knowledge for them to thrive in the workforce, drive the economy and actively contribute to the quality of life in California. The CSU achieves these results by providing affordable, accessible and high-quality education, as outlined in the Master Plans for Higher Education. The system and its leaders, faculty and staff remain committed to this important work for the betterment of today and tomorrow.

The following constitute the core principles guiding recommendations on legislation:

1. Work with the legislature and governor to continue the California State University's oversight of academic affairs and matters relating to internal governance of the university.
  - a. Continue efforts to enhance and expand flexibility on internal matters and decision making by the Board of Trustees.
  - b. Preserve the integrity of the collective bargaining process.
  - c. Preserve and enhance the California State University's ability to accomplish its mission.
2. Remain neutral on matters in which the state appropriately seeks to legislate the general public health and safety while not singling out the California State University uniquely.
3. Preserve the integrity of the California State University's budgetary process, and seek adequate funding to serve current and future students, support the work of faculty and staff, provide for ongoing operations, capital outlay and infrastructure needs, and to meet the workforce demands of the state.
  - a. Provide that all funds must be appropriated to the Board of Trustees.
  - b. Proposals for operational and academic programs, and capital outlay needs, must be approved and placed in priority order by the Board of Trustees.
  - c. Provide the operational authority and flexibility, as well as the necessary tools, for the university to respond to the needs of students and the state.
4. Seek to influence the outcome of issues which, while not affecting the California State University alone, would have a disproportionate impact on the university's activities.
5. Seek to provide for representation of the California State University on appropriate boards, commissions, task forces, study groups, etc., that may have an impact on the system.
  - a. Representatives to such bodies shall be appointed by the Board of Trustees or the Chancellor.
6. The chancellor is recognized as the spokesperson for positions on behalf of the California State University system. Whenever practical, positions to be taken on significant policy or legislative matters should be discussed with the chair of the Committee on Governmental Relations and the chair of the Board of Trustees.

Adoption of the following resolution is recommended:

**RESOLVED**, by the Board of Trustees of the California State University, that the Statement of Legislative Principles for 2015-2016 be adopted; and be it further

**RESOLVED**, that the chancellor is authorized to take positions on pending legislation on behalf of the California State University system; but prior to taking such positions on significant policy or legislative matters, the chancellor shall consult, when practical, with the chair of the Committee on Governmental Relations or the chair of the Board of Trustees; and be it further

**RESOLVED**, that the Chancellor shall keep the Board of Trustees regularly informed of the positions taken and of such other matters affecting governmental relations as deemed necessary and desirable.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **Sponsored State Legislative Program for 2015**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy & State Relations

#### **Summary**

This item contains the proposed Sponsored State Legislative Program for 2015.

#### **Background**

Chancellor White requested proposals from California State University system and campus leaders for consideration by the Board of Trustees as sponsored bills for the 2015 legislative session. Proposals were analyzed by staff with consideration given to whether there was a clear need for each proposal, its programmatic and fiscal implications and overall relationship to system initiatives and priorities. Campus presidents and vice presidents as well as the chancellor's leadership team have reviewed all of these proposals and concur with the following recommendations.

#### **California State University and University of California Alumni Affinity Programs**

This proposal seeks permanent authority for the CSU and the University of California (UC) to participate in affinity programs, which benefit the campuses and their alumni associations. The current statutory authority for affinity programs sunsets in January 2016. The existing statute was specifically created to protect the sharing of individual data with campus affinity partners.

Affinity partners provide a service to alumni at a unique value (e.g. a group rate discount on insurance) and in return the university, its auxiliaries or alumni associations receive royalty payments. These revenue streams are vital to funding alumni programming on campuses. The most common affinity partners offer insurance and credit cards.

This legislation was first enacted in 2006 as SB 569, authored by Senator Tom Torlakson and was reauthorized in 2010 as AB 1971, authored by Assembly Member Bonnie Lowenthal. The proposal would provide permanent authority for CSU and UC to offer such programs and services to alumni and support the university. Minor changes are also being sought to provide new ways to offer opt-out notices that better align with the way the university currently communicates with their alumni, deleting the annual reporting requirement and addressing some antiquated language that is no longer applicable to how institutions run these types of programs.

### **Sonoma State Green Music Center Ad/Sponsorship Allowances**

This proposal would allow local wineries and beer manufacturers to purchase ad space, donate products for sale or provide sponsorship for events at the Sonoma State University Donald and Maureen Green Music Center. These potential business partners are currently prohibited from supporting the university in this manner by Alcohol Beverage Control (ABC) regulations. ABC has confirmed that such exemptions require statutory change but would be consistent with changes enacted for numerous other performance and sports venues across the state.

The Green Music Center consists of multiple performance venues, a music education wing, sprawling outdoor spaces and an on-site restaurant. The center offers programs such as lectures, classical music and art and entertainment – making it the premier cultural hub north of the San Francisco Bay Area. This proposal would allow the Green Music Center to fund new programming at the facility, while working with the local wine and beer community who have been very supportive of the Center and its mission.

### **State Authorization Reciprocity Agreement**

Federal regulations require every campus that offers online programs to be authorized to do so in every state where enrolled students reside. The cost and administrative burden associated with multiple state authorizations and the fees charged by many states could have a devastating impact on online teaching and learning at the CSU. In response to the new federal regulations, accrediting agencies throughout the country have developed a collaborative, known as the State Authorization Reciprocity Agreement (SARA) to facilitate common standards and access for students and universities.

This is a system comprised of states and institutions who have volunteered to enter into a reciprocity agreement to collaboratively govern the regulation of higher education distance education programs. Participating states agree on a uniform set of national standards for state authorization that ensure institutions can enroll students from other states in distance education programs as long as they meet certain criteria. These criteria include consideration of institutional quality, consumer protection, and institutional financial responsibility. Currently eighteen states are participating in SARA and include Alaska, Arizona, Colorado, Idaho, Indiana,

Kansas, Louisiana, Missouri, Montana, Nebraska, North Dakota, Nevada, New Hampshire, Oregon, South Dakota, Virginia, Washington and West Virginia. By this time next year it is expected that over 30 states will have entered into SARA. Minnesota, which has some of the strictest regulations in the country, has recently submitted an application to join SARA.

After working with the Governor's office, legislative staff and the other higher education segments, it has been determined that we need statutory authorization for California to enter into SARA through the Western Interstate Commission for Higher Education (WICHE). This will allow all accredited colleges and universities in the state to continue offering online courses and programs to students here and throughout the country while also ensuring great access for our students to online programs and courses, reducing campus costs associated with state-by-state authorization and ongoing if not increasing revenues through extended education to support the university. Most importantly, it will ensure that the programs our students may take from other universities are of high quality.

### **CSU Investment Authority**

This proposal would allow the CSU to increase its investment earnings on its funds by providing the system with the ability to invest in a broader range of investments. The goal is to provide the CSU with the same investment authority and flexibility that the UC has with its fund balances.

Currently, the CSU's authority to invest funds under its control is governed by the Education Code and requires the system to invest from a list of high-quality, low-risk fixed income securities that have historically generated lower returns compared to the returns of other potential investment opportunities.

In contrast, with its ability to invest in a broader range of investments, the UC has been able to earn significantly higher returns than the CSU over comparable periods. Potential higher earnings on risk-appropriate CSU investments could go far in helping the system address its numerous needs, including its deferred maintenance and critical infrastructure backlog of almost \$2 billion.

The authority sought by CSU is consistent with the goal of giving the system greater autonomy and responsibility in making decisions on how best to utilize its limited resources and manage risks in meeting its educational mission. By enhancing the potential for higher investment returns on the same amount of investable assets, the CSU would have the ability to generate additional revenues to meet its needs, and reduce the amount that may be sought from the state or students. Once granted this expanded authority, it will be up to the Board of Trustees, chancellor and system leadership to manage future decisions and risks in our investment portfolio.

Gov. Rel.  
Agenda Item 3  
January 27-28, 2015  
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Adoption of the following resolution is recommended:

**RESOLVED**, by the Board of Trustees of the California State University, that the Sponsored Legislative Program for 2015 be adopted.